(e) whether Government have made any study on the effect of duty concession; and

(f) if so, when, by whom the study was made and what are the findings thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO) : (a) to (d) Duty rationalisation of bulk drugs/intermediates and finished medicines is an ongoing process. Duty proposals are sent to Ministry of Finance after examination of the same in the Ministry, and the recommendations as finally notified by the Ministry of Finance, are taken into account while fixing the prices. The major objective of duty rationalisation is to encourage production from the more basic stage, and thereby save foreign exchange. It is not linked necessarily in every case to reduction in the price of bulk drugs. Prices of scheduled drugs are fixed from time to time in accordance with the procedure and norms laid down under DPCO, 1987. Whenever there is custom duty concession on any drug/drug intermediates, the reduced price is taken into account while fixing the prices of bulk drugs and formulations. Duty concessions on some of the drugs/intermediates recommended by Government during 1992-93 were to offset the hike in prices of such items due to imports at market determined exchange rates as per the EXIM Policy. Regarding non-scheduled drugs, Government keeps a watch on the movement of their prices. The names of bulk drugs and drug intermediates on which custom duty concessions have been given by the Ministry of Finance during 1992-93 are given in custom notifications which are published from time to time in the Official Gazette, copies of which are available in the Parliament library.

(e) No formal study has been carried out on the effect of duty concession.

(f) Does not arise.

Interest and penalty on amount due under DPEA

1227. SHRIMATI KAILASHPATI : Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Government had decided in December, 1992 that interest and penalty would be charged on amounts due under DPEA;

(b) if so, the steps taken on this decision;

(c) whether Government have issued final notices to each defaulter;

(d) if so, when and what is the limit period under which the amount to be paid;

(e) what are the names of the companies to whom notices were sent and the amount involved in each case;

(f) whether Government have made any fresh assessment or revised existing assessment during January and February, 1993; and

(g) if so, the name of the company, product involved and details of amount worked out ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI EDUARDO FALEIRO) : (a) to (g) The tentative liability of a number of pharmaceutical companies have been worked out as Rs. 256.86 crores due to overcharging the prices of bulk drugs and formulations under DPCO, 979/87 and under para 7 (2) of DPCO, 1979. A statement showing the latest amount due from various companies on a tentative basis is attached (See below). The amount was communicated to the companies from time to time and the companies were asked to discharge their entire liabilities, failing which the Government would be constrained to process action for recovery of the amount as arrears of land revenue along with the interest from the date of default. Most of the companies have not yet discharged their liabilities. Some of them have instead challenged the computation of liability and have asked for personal hearings which are being granted. A few of them have filed writ petitions and some of these have obtained stay orders.

Statement

Details of liabilities of Drug Companies on account of overcharging/details of recoveries under para 7(2) of DPCO, 1979 and details of revision of liabiiity carried out.

(Rupees in lakhs)

Sr. No.	Name of the company (Drugs involved)	Period involved	Tentative Assessment	Amount Received
1	2	3	4	5
(a) SUPREME COURT CASE COMPANIES				
1.	M/s. Cyanamid (I) Ltd. (Demchylchloro Tatracycline & formulations)	Upto Oct 83	490.47	100.00
		1984-87	830.05	
		Total	1320.52	
2.	M/s. Hoechst (I) Ltd. (Baralgon Ketone, PMT Frusemide, Pheniramine Maleate, Glybenclamide & formulations)	Upto Dec. 83	2491.05	312.10
		1984-87	5289.75	
		Total	7780.80	
3.	M/s. John Wyeth & Geoffry Manners &	Upo Dec., 83	206.04	45.0
4.	(Benzathine Penicilline & Formulations)	1984-87	299.95	
		Total	505.99	
5.	M/s Meriud (Dexamethasone & Forulations)	Upto Dec .83	781.58	Nil
		1984-87	1610.14	
		Total	2391.72	
6.	M/s. Pfizer (Oxytetracycline & Formulations)	Upto Dec. 83	87.61	19.90
		1984-87	n.a.	
		Total	87.61	
7.	M/s. Franco India &	Upto Dec. 83	14.02	1.43
8.	M/s. Griffon (Phenoxymethyl Pan. Tab.)	1984-87	n.a.	
		Total	14.02	
9.	M/s. Tamilnadu Dadha (Calcium Lactate)	Upto Dec. 83	37.97	Nil
		1984-87	n.a.	
		Total	37.97	
10.	M/s. Anil Starch (Dextrose anhydrous)	Upto Dec. 83	11.61	Nil
		1984-87	1.16	
		Total	12.77	

n.a.—Not assessed.

1	2	3	4	5
11.	M/s. S. G. Pharmaceutical (Oxyphenbutazone)	Upto Dec. 83 1984—87	205.36 n. a.	Nil
		Total	205.36	
12.	M/s. Ethnor (Tetramisole Hcl. Decaris Tablets)	Upto Dec. 83 1984—87	10.19 n. a.	10.19
		Total	10.19	
		Sub Total (a)	12366.95	488.62
(b)	OTHER COMPANIES			
1.	M/s. Glaxo India Ltd. (Betamethasone & its salts)	1981 to Aug.87	7178.00	819.00
2.	M/s. Sarabhai Chemicals	Misc.	20.00	20.00
3.	M/s. Sandoz (India) Ltd. (Multivitamins)	1.4.86 to Sept. 1187	74.68	37.34*
4.	M/s. Pfizer (India) Ltd. (Multivitamins)	April '86 to Dec. 88	98.00	49.00
5.	M/s. Parke Davis (Multivitamins)	August '83 to August '87	1466.15	—
6.	M/s. Abbott Labs (Multivitamins)	March '86 to August '87	182.38	91.19
7.	M/s. Burroughs Wellcome (Sulphame thoxazole)	1979—80 to February '84	441.27	—
8.	M/s. Lyka Labs (Fluocinolone Acetonide)	1979—80 to August '87	678.73	—
9.	M/s. Warner Hindustan (now M/s. (Parke Davis) (Isokin & Pyridium)	1982 to 1986	106.35	55.49
10.	M/s. Boehringar Knoll (Euglucon)	13.12.84 to 31.1.1988	97.74	—
11.	M/s. Carews (Combiflam)	Nov. 86 to Dec. 88	710.24	—
12.	M/s. IDPL (Imported bulk drugs)	1985—86 to 1987—88	336.45	—
13.	M/s. Krupa Traders (Rifampicin)	1989—90	20.48	—
14.	M/s. IDPL (Sulphadimidine)	August '87 to November '87	37.30	—
15.	M/s. A. P. Chemicals (Paracetamol)	February '88 to November '89	24.43	—

*Deposited with the Bombay High Court.

1	2	3	4	5
16.	M/s. Malladi Drugs (Ephedrine)	April 88 to March, 90	116.30	—
17.	M/s Lupin Labs. (Rifampicin)	1988 to 1991	3.72	—
18.	M/s. Lupin Labs. (Ethambutol)	1989 to 1990	17.31	—
19.	M/s. Pfizer India Ltd. (Protinex)	April, 86 to July, 89	81.83	—
20.	M/s. Bayer India Ltd. (Chloroquine Phosphate)	1979-80 to 1988	107.37	—
		SUB-TOTAL (b)	11799.74	1072.00
		TOTAL (a+b):	24166.69	1560.64
	RIFAMPICIN			
1.	Biochem Pharmaceuticals	3/79 to 3/84	34.28	—
2.	Lyka Labs.	4/79 to 3/84	57.57	5.70
3.	Astra-IDL	82-83 to 5/84	24.11	2.41
4.	Micro Labs.	79-80 to 82-83	2.24	—
5.	Themis Chemicals	82-83 to 83-84	36.31	3.80
6.	Alembic Chemicals Lbs.	81-82 to 83-84	38.73	3.80
7.	Bombay Drug House	80-81 to 83-84	1.73	—
8.	Pharmed P. Ltd	79-80 to 83-84	66.01	—
9.	Dolphin Labs.	1979 to 1983	18.11	—
10.	Albert David Ltd.	11/81 to 9/83	3.91	3.91
11.	Pharma & Chem. Ind.	80-81 to 82-83	87.99	—
12.	Cadila Labs. P. Ltd.	79-80 to 83-84	76.52	7.50
13.	Sarabhai Chemicals	82-83 to 83-84	4.14	2.00
14.	Lupin Labs.	8/80 to 3/84	215.89	21.60
15.	Ranbaxy Labs.	4/79 to 6/84	36.23	3.6
16.	Wallace Pharmaceuticals	4/82 to 2/84	2.82	0.2
17.	Ethico Drug & Chem. Co.	5/82 to 3/84	140.98	—
18.	IDPL	12/80 to 1/86	2.13	—
19.	HAL	81-82 to 83-84	36.66	—
		SUB-TOTAL	886.41	50.84

1	2	3	4	5
	DIPYRADIMOL			
1.	German Remedies	4/79 to 7/84	59.95	59.95
	GENTAMYCIN			
1.	Fulford (I) Ltd.	79/80 to 2/84	194.62	50.00
2.	Biochem Pharma Ltd.	79/80 to 3/84	33.88	—
3.	Lyka Labs. Ltd.	7/79 to 3/84	17.47	1.75
4.	Nicholas Labs.	79-80 to 3/84	53.03	10.00
		SUB-TOTAL	299.00	61.75
	SALBUTAMOL			
1.	Khandelwal Labs.	79-80 to 81-82	0.15	—
2.	Biddle Sawyer P. Ltd.	4/79 to 3/83	142.74	—
		SUB-TOTAL	142.89	0.00
	CLOFAZAMINE			
1.	S.G. Pharmaceuticals	4/79 to 3/84	5.01	—
	AMPICILLIN & AMOXYCILLIN			
1.	Biochem Pharma Ltd.	79-80 to 83-84	11.80	—
	ODYPHENBUTAZONE			
1.	Tablets India Ltd.	79-80 to 83-84	9.49	—
	METRONIDAZOLE			
1.	Boots India Ltd.	79-80 to 8/87	62.17	47.92
2.	SEPL	79-80 to 83-84	7.82	—
3.	KSOPL	79-80 to 83-84	5.50	—
4.	Khandelwal Labs.	79-80 to 3/84	1.34	
5.	IDPL	79-80 to 3/84	20.33	—
	SUB-TOTAL		97.16	47.92
	TTRIMETHOPRIM			
1.	German Remedies	2/82 to 5/86	8.25	8.25
		TOTAL (C) :	1519.96	228.71
		GRAND TOTAL (a+b+c)	25686.65	1789.35